

## BANKERS ON THE DEFENSIVE.

President Lyman J. Gage Says the Boycott Won't Hurt the National Banks Much, But He Talks As If He Thought It Might—An Exposure of The Methods of The Shylocks

Correspondence of the Progressive Farmer.

The effect of the boycott on the notes of national banks, published in last week's issue of the Journal, has become a subject of national comment. The hired organs of the "sound money" clubs and the plutocrats are now squirming like caterpillars on a hot griddle. Some national bankers try to laugh the boycott away; others say that I am insane, and others say that I am heartless and cruel for attempting to contract the currency at a time when money is so scarce and wages so low. And then, like a condemned murderer who relies on the Governor for a pardon, they console themselves with the thought that the people whom they have outraged will not permit them to be hanged. Yet in all their interviews on the question can be discerned the same nervous twitch, the same glassy eyes, and the same longing, far-away look that always mark the appearance of the criminal just before execution. The sin soaked souls of the national bankers are not accustomed to rapid transit. Last week they were devoting their time in trying to make the people believe that our silver dollar is a dishonest fifty cent dollar. This week they are devoting their time defending and excusing the worthless no-cent dollars of their own and they dislike such rapid changes.

United States Treasury officials stated to the press that the boycott, if carried out, will injure labor and not the banks, because it will decrease the circulating medium \$211,000,000. Last year the same officials were telling the people that the country contained more circulating medium than was necessary, that what the country needed was confidence and credit. Now they are affirming that the volume of currency in circulation regulates wages and prices, and therefore the boycott will reduce wages because it will reduce the volume of circulating medium—an admission which they would never be fore make.

The Chicago bankers were interviewed by reporters, and the corporation dailies devoted from two to four columns each, explaining that the bankers cared nothing for the proposed boycott.

"This is the raving of a lunatic," said President J. J. P. Odell, of the Union National bank, when he had read the published account of the Sovereign pronouncement. "It is foolish in the extreme and disproves itself. The national banks of the country have the privilege of issuing about \$650,000,000 in circulation notes, but so little do they care about this privilege, and so little do they exercise it that the total amount of national bank notes in circulation October 2, 1894, was less than \$172,000,000. If issuing notes were profitable, it is likely that the banks would avail themselves of their privilege to a greater extent than this. Thus falls the charge that the national banks are trying to foist on the country a 'flat' currency."

"The First National bank of Chicago has the privilege of issuing \$3,000,000 of notes. It has not a dollar in circulation. The Union National bank has the right to issue \$2,000,000 worth of notes, and we have only \$24,000 out. That shows how much the note-issuing power is thought of by the banks."

"That manifesto is all buncombe and is not worthy of serious attention," said President John Mitchell, of the Illinois Trust and Savings bank. "But very few people would act according to it and the amount of notes these would refuse to accept would make no perceptible difference to either the banks or the currency. National bank notes are not full legal tender between individuals, but the people have always accepted them and will continue to do so. This manifesto is unfortunate, because it tends to breed antagonism between capital and labor, where there should be only harmony."

"Mr. Sovereign might as well try to bail out Lake Michigan as to do what he proposes in his manifesto," said Charles L. Hutchinson, President of the Corn Exchange bank. "The national banking system and the high character of the national bank notes as currency are too well established to be assailed effectively by so weak a method as a boycott."

"The difficulty most of us have is in getting money of any sort, without being too particular as to its quality, provided it is worth its face value. Of course, if Mr. Sovereign wishes to issue manifestoes against the national banks, it is his privilege. Dogs bay the moon, you know, but that does not affect the moon."

"Even if Mr. Sovereign's boycott were put into practice and proved effective, the national banks would not be hurt much. But few of the big banks avail themselves of the privilege to issue currency notes, because it is

not profitable. I do not think the banks would care much if the national bank notes were all wiped out, but to abolish the national banking system is quite another matter, and one which Mr. Sovereign cannot accomplish, even with a boycott."

"They can't refuse any of the First National's notes, because there are none in circulation," said President Lyman J. Gage, of the First National bank. "This man is merely talking to hear himself. While national bank notes are not legal tender between individuals, they have always been accepted as such, and always will be. A boycott on national bank notes would not annoy the banks very much. Our notes are locked up in the vault and have always been there. Not a dollar of them has been put in circulation. National bankers care nothing for this privilege of issuing notes, because it doesn't pay. To secure notes United States bonds must be bought at a very high premium and deposited in the United States Treasury to secure the circulation. Only 90 per cent. of the face value of the bonds can be represented in the circulation, and then five per cent. of the circulation must be deposited with the government."

The statements quoted from the bankers are the best reasons why their notes should be boycotted by every patriotic citizen. These national bankers not only admit that their notes are not money, but acknowledge that while low wages, starvation, enforced idleness and business depression are prevalent throughout the nation they wilfully and wantonly withdraw their notes from circulation to increase the burdens and miseries of the people. Never before was a blacker page of crime and conspiracy against the public brought to view than is revealed in the confession of the bankers quoted above.

The argument of national bankers in bankers' conventions, in the lobby, and on the floor of Congress for the past thirty years has been a demand for the perpetuation of the national banks, on the ground that the banks would maintain the stability of business and the circulating medium flexible according to the demands of trade by supplying the people with their circulating notes in the hour of need. The act of Congress, approved January 14, 1875, known as the resumption Act, gave national banks authority to contract or expand the volume of their circulating notes at will, and it was done on the representations of the banks that the volume of their notes comprised a flexible currency, going out into the channels of circulation when other money became scarce, and coming back when not required by the demands of trade. The same act further says:

"And whenever, and so often, as circulating notes shall be issued to any such banking association, so increasing its capital or circulating notes, or so newly organized as aforesaid, it shall be the duty of the Secretary of the Treasury to redeem the legal tender United States notes in excess only of three hundred millions of dollars, to the amount of eighty per centum of the sum of national bank notes so issued to any such banking association as aforesaid, and to continue such redemption as such circulating notes are issued, until there shall be outstanding the sum of three hundred million dollars of such legal tender United States notes, and no more."

Thus it will be plainly seen that the retirements of the greenbacks was largely due to a tacit understanding that national bank notes would take their place whenever the business interests of the country required it. But since the boycott on their notes has been proposed, these bankers admit that the dog in the manger during the dark days of a money famine, when the woes of the people befell description by tongue or pen.

What palliation do they offer for such merciless acts of bad faith? Simply that the business of loaning the notes of national banks is unprofitable. "The First National bank of Chicago has the privilege of issuing \$3,000,000 of notes," says J. J. P. Odell of the Union National. "Our notes are locked up in the vault, and have always been there. Not a dollar of them has ever been put in circulation. National bankers care nothing for this privilege of issuing notes because it doesn't pay," says Lyman J. Gage, of the first National. This statement proves what I stated in the boycott notice, namely, that private interest and not the public welfare is the banker's motive for furnishing circulating medium to the people. They would drown the wails of famishing women and dying babes with laughter and jeers if their private interests were conserved by so doing. But their statement proves more. It proves that national bankers, like some other people, will tell a deliberate falsehood in order to conceal the profits of business. The loaning of national bank notes pays a large profit to the national banker, and the public know it. I do not wish to be understood as saying that a national banker makes as much

profit on the loan of a note for which he has to pay the government interest at the rate of one per cent., as he does when he loans the money of some kind depositor, for which he pays nothing. But Mr. Gage misrepresented the law when he inferred that the national bankers deposit five per cent. of their notes with the government to secure their circulation.

Section 2 of the act of Congress reads as follows: "That section 31 of the national banking act be amended that the several associations therein provided for shall not hereafter be required to keep on hand any amount of money whatever by reason of the amount of their respective circulations; but the moneys required by said circulation to be kept all times on hand shall be determined by the amount of deposits in all respects as provided for in said section."

Section 3 of the same act provides that the five per cent. deposited with the government to redeem circulation be counted as part of the lawful reserves of the bank, as provided in section 2. Therefore, the government generously permits the national bankers' reserve to answer a double purpose, and the banker is relieved from depositing a single cent extra by reason of his circulating notes.

The reason national bankers do not issue circulating notes to the full extent of their privilege is because they want to make the flesh and blood of the industrial masses very cheap and the necessities and comforts of life very hard to get. Their interests lie in maintaining a dependent rather than an independent people. They laugh and grow fat on slavery and weep and die on freedom. Why do national banks withhold their own notes from circulation, and at the same time pay long time depositors from three to four per cent. per annum for money to loan to their customers? Why do they pay private depositors three or four times more for the use of money than they are willing to pay the government for the use of their own notes, which they claim the people will accept as freely as any other money, and cannot be boycotted? On the surface this seems quite a mystery indeed. The Chicago and other bankers account for this apparent unbusinesslike method, on the ground that the bonds are at a high premium. Yet it is not the low interest on the bonds but their value as a basis for the circulation of national banks that give them the high premium they now command. If Mr. Lyman J. Gage, and other national bankers will consult the private circulars issued by Fisk & Hatch, New York bankers, in 1883, they will find that Fisk & Hatch clearly demonstrated that with bonds at 22 per cent. premium, \$1,000,000 dollars invested in national banking twenty years will retire the premium on the bonds and pay its investors \$10,000 more per annum than \$1,220,000 will pay invested in private banking for the same length of time. Therefore, we will have to look elsewhere for a cause why national bankers pay higher interest to time depositors than they will pay the government for the use of national currency. But the cause is simple, and it is one which the people have studied very little and the bankers very much. The cause is found in the organization of effort to perpetuate debt.

All the national bankers know that the profit of money at interest depends on the ability of the loaners to control the volume in circulation. They know that money in the hands of the people is harder to control than money in the vaults of the banks. They know that when the people have plenty of money they pay their debts and stop the bankers from reaping where they have not sown. They know that when money is scarce the people flock to the banks to borrow. They know that their interests lie in controlling the volume of currency and limiting competition in the money loaning business. And this is why they reduce their circulating notes and devote their time to speculating on the money of their depositors. This is a principle known to the money changers before Christ scourged them from the temple. It was this principle that took the monetary prerogative from the British crown and transferred it to the bank of England. It was this principle that denied the right of the American Colonies to issue their own money and forced patriots to kindle the fires of revolution. It was this principle that actuated the stockholders of the old United States bank to fight Jackson and threaten the life of the nation. It was this principle that stood out bolder than all else in the notorious Hazard circulars. It was this principle that brought on the panic and organized the "sound money" clubs with threats to employ Gatling guns to defeat any attempt to coin silver or issue money by the government not controllable by the bank.

They know that the combine that controls the money power of a country controls the people and the destinies of a nation. It was vividly described in the Bankers' Magazine a few years ago, in the following words:

"It is no libel on the characteristics and tendencies of the present or any other age to say the rich are growing richer and the poor poorer, for such is the natural result of financial gravitation. Just as easily and naturally as a snowball gathers size by rolling down hill does money gather wealth by steadily descending the gentle declivity of time."

One thing is certain, banks of issue can never live in harmony with the institutions of free government. They are mortal foes from organic principle, and if one lives the other must die. The national banks have conspired against the prosperity of the people, threatened bankruptcy to the nation every time an effort was made to curb their powers, and opposed every reform of every kind proposed by the people for the past twenty-five years, from co-operation to the most minor reform on the calendar of public questions. They are the natural allies of the gold power, the silent force behind the bond frauds and the protector of every other form of private monopoly. They are comets shot from the throne of monarchy, and their history is the history of death and desolation. There is but one way to meet this monster of depravity, and that is to refuse its worthless trash and demand honest dollars for honest service. Let the reform forces of every kind and in every part of the nation meet and prepare to throw off the yoke of this bank oligarchy on September 2. The way to succeed is to engage the enemy and fight for success. Let me hear from the old guard and the new recruits. Organize to boycott the national banks, and we will whip them out of their boots if it takes all winter.

J. R. SOVEREIGN,  
General Master Workman.  
34 B St., N. W., Washington, D. C.

## NASH COUNTY MEETING.

Correspondence of the Progressive Farmer.

NASHVILLE, N. C.

The Nash County Farmers Alliance held their last regular meeting in Nashville, on the 11th ultimo. A good majority of the Subs were represented, and we had a very good meeting.

The annual election of officers was held and resulted as follows: W. A. Moore, President; M. N. Bissett, Vice-President; C. H. Baines, Secretary and Treasurer; Rev. L. A. Lloyd, Lecturer; N. Collins, Steward; Rev. Thomas H. Matthews, Chaplain; S. S. Sykes, Doorkeeper; M. W. Collins, Assistant Doorkeeper; G. M. D. Langley, Sergeant at Arms; V. B. Carter, P. A. May and Gideon Coggin, Executive Committee. W. A. Moore was elected delegate to the State Alliance. All the officers elected were installed in the afternoon session, and after some good speeches the Alliance adjourned.

The next regular meeting will be held at Elm Grove Baptist church.

Brethren, have you ever thought of what a vast difference there is in our meetings of late to what they formerly were? If so, I am sure you have found many things to interest and amuse you.

I have been attending our county meetings pretty regularly ever since its organization seven years ago the 5th day of last April, and I see a marked difference. Now, some who oppose us are ready to squall out and say, "Yes, we told you so; you Alliance folks went into politics and ruined everything."

Well, we know there has been some changing and remodeling, caused, no doubt, in part through the influence of the Alliance, and we hope others will be in the near future. But the Alliance is here to stay. Ruined! Disbanded! Bless your sweet soul, I honestly believe the Alliance is nearer a unit and more united and determined in actions than at any former period. Of course, we are decreased in numbers, that is true, and one reason why is because we were not more careful in taking in members in the beginning; but that could hardly be avoided. They were simply after the "loaves and fishes"—wolves in sheep's clothing. But, says one, what are the changes? Listen good and I will tell you. We miss something, don't we? Whew! what a something it was! Where are some of our leaders? Those original, non-partisan, Democratic Alliancemen that used to be so anxious about the poor downtrodden farmer and laborer, used to make such patriotic speeches, etc., that one's hair would nearly rise on one's head, telling us how we ought to stand together, work together and vote together. This was mighty good and worked like a charm till they, or a part of them, succeeded in riding into office through the influence of the Alliance; then, as its (their) mission was accomplished, they had no further use for the Alliance. The unsuccessful among them, poor fellows, got weary and heartbroken and fainted by the wayside. Yes, as I have already said, we are decreased in number, but much purified and strengthened in principle. Truth is mighty and will prevail at last. Fraternally yours,

C. H. BAINES, Sec'y.

## CREAM OF THE PRESS.

Hard Hits, Bold Sayings and Patriotic Paragraphs from Reform Papers.

Will some of the goldbug orators just face their audience and see how many gold dollars they can find in them.—Cleveland Herald.

If gold is the only sound currency and the workingman's best money, why does he handle so little of it?—Bulletin of Reform.

What is the good of a government that cannot or will not protect its people against the insatiable greed of foreign or domestic money kings.—Tennessee Current.

The best made currency plans of bankers and goldbugs have to be stuffed with government fiat before they can cast a shadow. Too thin, otherwise.—The Calliope.

Interest, rent and profit, the three great devices to rob and enslave the masses. Until the people are wise enough to kill all three of these it is no use talking about prosperity.—Rural Banner.

The reports of the money paid to legislative agents and counsel by corporations in Massachusetts, which are supported by the people, should be an object lesson to the voters who pay the bills.—Brockton Diamond.

The daily press has been howling itself hoarse over better times, and last week announced that George M. Pullman had advanced wages 10 per cent. Now George M. says it's a lie. George isn't always truthful, but we believe him this time.—Saturday Critic.

If many of our statesmen, bankers, ministers and "good people" in general were clothed in rags, suffering from hunger, and kept at the "sweat box" 10 hours a day, they would soon become the most bloodthirsty anarchists that ever roamed the earth.—Luella B. Kraybill.

If there was money enough in circulation to do business on a cash basis, what would the money changers do for a living? Respectfully referred to the ragged, half starved old clod hoppers who are splitting their gutlets yelling for "honest money"—dear dollars.—Leader, Tecumseh, Okla.

The courts announce a verdict mulcting John D. Rockefeller to the tune of nearly a million dollars. The next day oil is advanced a quarter of a cent, and John D. proceeds to pay the bill. It all comes out of John—just like the tariff comes out of the importer. Please sing another national anthem while we wait.—Coxey's Sound Money.

"One of the reasons," says Tom Watson, "why fewer merchants busted this year was that fewer of them were left over from last year. The year 1895 killed less because 1893 and 1894 had left less to kill." By the same token fewer mortgages are being foreclosed this year than last, and if this gold basis prosperity (?) continues ten years longer foreclosure will have entirely ceased.—Shylock will have acquired possession of all the farms and homes.

How the bankers are squirming about silver. They are alarmed at the prospect. That twenty-five million dollars annually stolen from depositors would weigh seven hundred and fifty tons if it was all in silver. Just think of it. If all taken at once 'twould require 12,000 cashiers to carry it, and in a class column single file would make a procession eleven miles long. Every man loaded down with over a hundred and twenty pounds of silver. Some of them would like as any way get caught, too, carrying such a load as that.—Chicago Express.

## TO BE OR NOT TO BE?

Correspondence of the Progressive Farmer.

To be or not to be? That is the question. Whether it is nobler in mind to suffer the stings and arrows of outrageous fortune, or to take up arms against a sea of opposition, and, by opposing end them.

How applicable seems these lines from Shakespeare to many of the plans and demands of the Alliance.

And ere long we shall be called on once again to say and decide whether there shall be four more years of strikes, of business failures, of oppression of the poor, of bowing down to the rich and worshipping the money gods; four more years of want and misery in alms; every form, in a land of plenty, in the grandest country God ever gave to man, all because we live under the tyrannical rule of the yellow demon, gold; or whether it is nobler to take up arms against the sea of troubles, and, by opposing, end them, and once more have our homes filled with peace and joy and sweet contentment, as we see prosperity around us on every hand.

Sometimes we may feel inclined to give up the fight for right and justice, but let us remember if we are right God is with us and for us, and we shall prevail. So let me say, every man to the front, "let the odds make each heart bolder. Keep battling for the right, keep spreading the truth, such as is taught in THE PROGRESSIVE

FARMER. Read it, circulate it, pay for it. Keep at it, and victory will be ours as surely as "truth is mighty and will prevail."

To be or not to be. This makes me think of the shoe factory. Shall we give up the fight after all our talk and work, or will it be. And now as the State Alliance will meet soon, I hope the delegates from each county will go prepared to press the matter. We need the factory; we need it bad. Perhaps there is not another article on the market to day on which there is so much speculation as there is in shoes. Every man from the tanner to the cross-roads storekeeper must have a profit, and there is no dodging; all must buy and all help to feed this one money trust. Shoes in the last three months have advanced one third in price, and will likely go higher. This will mean thousands of dollars out of the pockets of North Carolina farmers. Let me ask the delegates to the State Alliance to talk about this matter in daytime and dream about it at night until the State Alliance meets, and so go prepared to act out the sentiments of the people at home. Let us do something at once. To be or not to be is the question.

H. M. CATS

Sweepsonville, N. C.

## FOR THE SUB-TREASURY

Correspondence of the Progressive Farmer.

HOBGOOD, N. C.

I want to say a few words in THE PROGRESSIVE FARMER, as I am an Alliance man and working for the Alliance cause. Brothers, let us work for the Sub-Treasury plan. Liverpool has set the price of our produce low enough. Our government can set the price of our produce. Brothers, let us work for our country. If we do not work I see nothing but slavery for us.

J. S. DEBRULE.

Many of the best seed grow double, and two plants will come where one would be better. This makes work in thinning, but it is not all loss for the small beets make excellent greens. They can be used for greens until the beets are larger than a finger, and the beet at this early stage is more tender and has a better flavor than it has as it grows older. There can hardly be too many of these beet thinnings, as the spring pigs will eat them greedily without cooking. They are one of the best feeds for sows that are suckling pigs, and the young pigs will soon learn to eat them as they are fed to their dam.

## CONSUMPTION

TO THE EDITOR—Please inform your readers that I have a positive remedy for the above named disease. By its timely use thousands of hopeless cases have been permanently cured. I shall be glad to send two bottles of my remedy free to any of your readers who have consumption if they will send me their express and post office address. T. A. Slocum, M. C., 183 Pearl St., New York

## DEMANDS ADOPTED

Finance—We demand a national currency, safe, sound and flexible, issued by the government only, a full legal tender for all debts, public or private, and that without the use of banking corporations; a just, equitable and efficient means of distributing direct to the people at a tax not to exceed 2 per cent. as set forth by the Sub-Treasury plan or some better system; also, by payments in discharge of its obligations and for public improvements.

a. We demand the free and unlimited coinage of silver and gold at the legal ratio of 16 to 1.

b. We demand that the amount of the circulating medium be increased to at least \$50 per capita exclusive of legal reserves.

c. We demand a graduated income tax.

d. That our national legislation shall be so framed in the future as not to build up one industry at the expense of another.

e. We believe that the money of the country should be kept as much as possible in the hands of the people and hence we demand that all national and State revenue shall be limited to the necessary expenses of the government, economically and honestly administered.

f. We demand that postal savings banks be established by the government for the safe deposit of the earnings of the people and to facilitate exchanges.

Land—The land, including all the natural resources of wealth, is the heritage of all the people and should not be monopolized for speculative purposes and alien ownership of land should be prohibited. All lands now held by railroads and other corporations in excess of their actual needs, and lands now owned by aliens, should now be reclaimed by the government and sold for actual settlers only.

Transportation—Transportation being a means of exchange and a public necessity, the government should own and operate just enough of the competing railroad lines of the country to effectually give the Government full control of the regulation of passenger fares and freight rates.

g. The telegraph and telephone, like the postoffice system, being a necessary for the transmission of intelligence, should be owned and operated by the government in the interest of the people.

ELECTION OF UNITED STATES SENATORS.—We demand the election of United States Senators by a direct vote of the people. That each State shall be divided into two districts of nearly equal voting population, and that a Senator from each shall be elected by a direct vote of the people of the district.